

## SUMMARY OF BUSINESS OPPORTUNITY

The following summarizes the key elements of the business opportunity for the VIIS001-16 Draft Contract. Should the facts and figures presented in this summary differ from or contradict the Draft Contract in any way, the Draft Contract will control.

### *Nature of Business and Services Provided*

#### Required Visitor Services

**Exhibit 1. Required Services under the Draft Contract**

Service	Location
Lodging	Cinnamon Bay
Camping	Cinnamon Bay
Food and Beverage	Cinnamon Bay and Trunk Bay
Retail	Cinnamon Bay and Trunk Bay
Equipment Rental	Cinnamon Bay and Trunk Bay

#### Authorized Visitor Services

**Exhibit 2. Authorized Services under the Draft Contract**

Service	Location
Day Sail Excursions	Cinnamon Bay
Interpretive Activities	Cinnamon Bay
Retail	Cinnamon Bay and Trunk Bay (at Service approved sites)

### *Estimated Initial Investment*

**Exhibit 3. Estimated Initial Investment (2016)**

Item	Estimated Amount (2016 Dollars)
Possessory Interest	\$2,221,391
Purchase of Personal Property	\$809,670
Inventory Investment	\$41,900
Start-up Costs and Working Capital	\$288,000
<b>TOTAL</b>	<b>\$3,360,691</b>

**Source: National Park Service**



## Concession Facilities Improvement Program

During the term of the Draft Contract, the Concessioner must complete the CFIP outlined below. Please note every CFIP has to commence during the first year of the Draft Contract.:

**Exhibit 4. Estimated CFIP Construction Cost**

	Projects	ESTIMATED START DATE	ESTIMATED COMPLETION DATE	Total Estimated Net Construction Cost
I.	Demolish and replace 40 Cottage Units (10 Buildings with 4 units each) at Cinnamon Bay	2016	2018	\$3,444,200
II.	Demolish and replace the Gift Shop and Snack Bar at Trunk Bay	2016	2018	\$617,400
III.	Replace 55 tent platforms and related site work to support 55 eco-tents ( tents considered personal property) at Cinnamon Bay	2016	2018	\$26,900

*Source: National Park Service*

## Historical Gross Revenue

**Exhibit 5. Historical Revenue, 2011-2013**

	2011	2012	2013
Annual Revenue	\$2,892,123	\$2,921,290	\$2,981,532

## Historical Franchise Fees Paid

**Exhibit 6. Franchise Fees Paid, 2011-2013**

	2011	2012	2013
Total Annual Return to the Government	\$72,710	\$77,548	\$78,406

## Repair and Maintenance Reserve

The Concessioner must establish and manage a Repair and Maintenance Reserve of four percent (4.0%) of annual gross receipts for the first three years and one percent (1.0%) of annual gross receipts for the remainder of the Draft Contract.

## Proposed Minimum Franchise Fee

One and eight-tenths percent (1.8%) annual gross receipts.

## No Preferred Offeror

The Director has determined, pursuant to 36 C.F.R. Part 51, that no "preferred offeror" exists for the Draft Contract. The solicitation for commercial service is fully competitive.

## Contract Term

Fifteen (15) years with an estimated beginning date of June 1, 2016. The Service may change the effective date of the Draft Contract prior to the award if the Service determines it is necessary.

